

CCC-531 Appendix

(09-30-02)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

**APPENDIX TO FORM CCC-531, 2002 PEANUT DIRECT and COUNTER-CYCLICAL PROGRAM
CONTRACT (DCP)**

NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995.

1 PURPOSE

This Appendix sets forth additional terms and conditions to the 2002 Peanut Direct and Counter-Cyclical Program Contract (CCC-531). A producer who signs the 2002 Peanut Direct and Counter-Cyclical Program Contract agrees to follow the terms and conditions contained in this CCC-531 Appendix, and acknowledges the applicability of any provisions of the federal regulations applicable to the contract including these found at 7 CFR Parts 12, 718, 1400, 1405 and 1412.

2 DEFINITIONS

- A Historic peanut producer** means the producer on a farm in the United States who produced or was prevented from planting peanuts during any or all of the 1998 through 2001 crop years.
- B Average Acreage** means the average of planted/prevented planted acres on a farm of peanuts for the historic peanut producer for crop years 1998-2001, specified on Form CCC-531, that are used to determine the maximum payment acres.
- C Maximum Payment Acres** means 85 percent of the Average Acreage of peanuts as determined for each farm.
- D Payment Yield** means the average of the historic peanut producer's actual or assigned yields for each farm, which will be used to determine DCP payments.
- E Effective Price** means the sum of the higher of the national average market price or the national loan rate, plus the direct payment rate.
- G All words and phrases** have the meanings assigned to them in the regulations found at 7 CFR Parts 12, 718, 1400, 1405 and 1412.

3 CONTRACT

By signing Form CCC-531 the historic peanut producer for all farms reflected in the contract understand and agree that:

- A** Only "historic peanut producers", as defined in item 2A of this appendix, are entitled to earn direct or counter-cyclical payments for peanuts for crop year 2002. There will be one contract per historic peanut producer and the contract will reflect average acreage and yields for all farms in the county that the historic peanut producer shared in the risk of production of peanuts during crop years 1998 through 2001;

- B** The historic peanut producer shown on the CCC-531 has 100 percent share in the payments calculated for the contract;
- C** This contract becomes effective when signed by an authorized representative of CCC and is only applicable to crop year 2002 only;
- D** In the event a succession in interest occurs due to death or dissolution of an entity:
- (1) in the case of death, heirs to the estate may succeed to the contract;
 - (2) in the case of a dissolution of an entity, the members of the entity may succeed to the contract.
- E** They will timely file in the manner prescribed by CCC with the County Committee the following forms and such other forms as may be required by CCC:
- (1) A CCC-531 (2002 Peanut Direct and Counter Cyclical Program Contract (DCP));
 - (2) A certification of the acreage of all cropland in accordance with 7 CFR Part 718, if the historic peanut producer is associated with a farm for crop year 2002;
 - (3) A farm operating plan for each person in accordance with 7 CFR Part 1400; and
 - (4) A certification of compliance with the highly erodible land and wetland conservation provisions set forth in 7 CFR Part 12.
- F** Violations of the highly erodible land and wetland conservation provisions of 7 CFR Part 12 may result, at CCC's discretion, in termination of the payments with respect to each historic peanut producer in violation or a reduction in the contract payment;
- G** The provisions of 7 CFR Part 1400 are applicable to this contract. Each historic peanut producer determined by CCC to have adopted a scheme or device designed to evade, or which has the effect of evading such regulations, must refund any contract payment, marketing loan gain, or loan deficiency payment received for all crops on all farms in which such historic peanut producer has an interest and shall be ineligible for such payments and benefits for the following fiscal year;
- H** The regulations at 7 CFR Parts 12, 718, 1400, 1405, and 1412 are incorporated by reference as part of this contract; and
- I** Representatives of CCC may enter the farm to determine if the historic peanut producers are in compliance with this contract.
- J** By selecting the option to refuse payments, the applicant is refusing all 2002 Peanut Direct and Counter Cyclical Payments reflected on the CCC-531 and/or continuation sheet.

4 DIRECT PAYMENTS

- A** The direct payment for peanuts will be computed by multiplying: (1) 85 percent times the average acreage, as identified in columns 6 and 10 of Form CCC-531, by (2) the payment yield in columns 8 and 12 of Form CCC-531, by (3) the payment rate of \$0.018 per pound (\$36 per ton).

- B** A historic peanut producer must refund to CCC any payment which exceeds the amount actually earned under this contract. Interest on such refunds shall be assessed in accordance with 7 CFR Part 1403 and will accrue from the date of disbursement.

5 COUNTER-CYCLICAL PAYMENTS

- A** Counter-cyclical payments are authorized for peanuts when average market prices for the marketing year, as determined by the Secretary, fall below the target price for the commodity.
- B** The counter-cyclical payment, if any, for peanuts will be computed by multiplying: (1) 85 percent of the base acreage, as identified in columns 6 and 10 of Form CCC-531, by (2) the payment yield in columns 8 and 14 of Form CCC-531, by (3) the payment rate determined below.

| Maximum Counter-Cyclical Rates for Peanuts for Crop Year 2002 | | | | | |
|--|--------------|-------------|-----------|-------------------------|-------------------------------|
| Unit | Target Price | Direct Rate | Loan Rate | Minimum Effective Price | Maximum Counter-Cyclical Rate |
| \$/ton | 495.00 | 36.00 | 355.00 | 391.00 | 104.00 |

- C** The payment rate, if any, for peanuts is the rate determined by subtracting the effective price from the target price, except that the payment rate shall not exceed the difference between the target price and the sum of the national loan rate and the direct payment rate. The direct payment rates, national loan rates, and maximum counter-cyclical payment rate for crop year 2002 are identified above.
- D** CCC will authorize partial counter-cyclical payments for peanuts for crop year 2002, if before the end of the applicable 12-month marketing year for the peanuts the Secretary estimates that counter-cyclical payments will be required. In this event, historic peanut producers may request a first partial payment of 35 percent of the projected payment amount, to be made in October of the calendar year in which the crop is normally harvested. Historic peanut producers may request a second partial payment of 70 percent of the projected payment amount (including any revision of earlier projections) less the amount of any first partial payment, if applicable, to be made after February 1 of the calendar year after the year in which the crop is normally harvested.
- E** A final counter-cyclical payment for the crop year, if applicable, will be made to historic peanut producers as soon as practicable after the end of the 12-month marketing year for the applicable commodity.
- F** A historic peanut producer must refund to CCC any payment which exceeds the amount actually earned under this contract, including the refund of any unearned partial counter-cyclical payment when actual market prices exceed the projected market prices used in determining the partial payment rates.

6 OTHER PAYMENT PROVISIONS

Any payment or portion thereof due any historic peanut producer will be made by CCC without regard to any question of title under state law, and without regard to any claim or lien against the crop, or proceeds therefrom, which may be asserted by a creditor, except agencies of the U.S. Government. Offsets for debts owed to agencies of the U.S. Government shall be made prior to making any payments to historic peanut producers or their assignees.

7 LOSS OF BENEFITS

- A** If CCC determines a historic peanut producer erroneously or fraudulently represented any fact affecting a determination to be made by CCC under this contract, or knowingly adopted any scheme or device which tends to defeat the purposes of this contract, the contract shall be terminated. Upon termination, the historic peanut producer shall forfeit all rights to contract payments on each farm in which the historic peanut producer has an interest and shall refund to CCC all contract payments received by the historic peanut producer during the period of the violation, plus interest.
- B** The provisions of this section are in addition to any liability which may be incurred under various criminal and civil fraud statutes, including, but not limited to, 18 U.S.C. 286, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729.

8 MODIFICATIONS

CCC reserves the right to correct all errors in entering data on Form CCC-531 and the results of computations made pursuant thereto. CCC also reserves the right to require refunds of payments as the result of determinations made in accordance with the maximum payment limitations of 7 CFR Part 1400.

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is the Farm Security and Rural Investment Act of 2002, (Pub. L. 107-171). The information will be used to determine eligibility for program benefits. Furnishing the requested information is voluntary, but failure to furnish the requested information will result in a determination of ineligibility. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a request by a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

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